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Extract from Speech on World Situation delivered
by the DD/I at the Army War College, National
Strategy Seminar, 10 June 1958 on

INDONESIA

(Re-dictated from speaking notes, 16 June 1958)

For a considerable period of time prior to the opening
of this year there has been a serious slippage in the position
of Indonesia and its leadership. Sukarno returned from his
visit to China vastly impressed with the order and progress
there and opted for a semi-paternalistic system called "guided
democracy." This gave the Commies a rare opportunity and
they made the most of it.

This Communist Party is not to be sniffed at. It has
been the dominant party in Java and possibly the #2 party in
Indonesia as a whole since the 1957 elections. They have an
excellent grass root organization through labor, veterans and
village organizations. They are careful to identify the Party
with such popular issues as the return of West Irian and current
efforts to repress the dissidents. Meanwhile on the outer islands
there were legitimate complaints that they were being milked
by the Javanese. The most powerful individuals, who were the
regional military commanders, together with some patriots from
have entered into a conspiracy to supplant the present government.

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These people badly miscalculated both the degree of support they would receive from the mass of the people and the reliability of certain key commanders who had been nibbling at their ideas. Essentially, they underestimated the basic lack of popularity of any effort which could be characterized as fragmenting the Republic.

Militarily, they bit off more than they could chew -- jumped the gun, and ignored the tremendous importance of having some air and naval capability.

On the other hand, the national military forces not only turned out to be largely loyal to the government, but ~~more~~ ^{much} more capable, at least in terms of logistics, than we had been wont to believe.

Padang was in a sense the Richmond of the revolt and its loss was more or less the equivalent of the South's losing Richmond to McClelland in the Spring of '62. From that point on the war was lost though Manado remains to be reduced probably next [this] week.

A protracted stalemate could have taken place with very substantial outside support in the area centered around North Celebes, including the bulk of the Moluccas.

But the clearly emerging facts were that only the National Army gave any hope of having the capability and will to deal

with the mushrooming Communist Party and that if the US became identified with the dissidents, the leaders of the National Army would reluctantly return to the Bloc and Java and the bulk of the Archipelago would go down the drain -- a shattering blow to the free world's position in the Pacific.

Only time will tell if the Communists' mass infiltration thrust there can be effectively checked by Nasution, Jani, and the other good military types, many of whom have been trained in the US and are behind the scenes profusely pro-US. These same people, it should be noted, effectively though ruthlessly, suppressed the armed Soviet threat at Madiun a decade ago. They will require time and firm US resolve to help them despite wails from the Dutch and their close friends in NATO.

MEMORANDUM FOR: Director Central Intelligence

As per discussion at meeting this morning.

I include the four minutes worth on Indonesia I
included in my Army War College speech last week.

Moley
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16 June 1958
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